

S E C R E T TELEPOUCH

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DATE - 18 JANUARY 1968

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FROM - CHIEF, WOLIME VIA CHIEF, EUR

SUBJ - DTDORIC/QKACTIVE

FUTURE OF LOCATION OF IBEX

ACTION - SEE PARAS. 5 AND 8

REFS - A. OIRA-46543, DATED 10 JANUARY 67

B. DIR 62848, DECEMBER 67

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CENTRAL INTELLIGENCE AGENCY
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DATE 2007

1. THE REASON A FULL YEAR HAS ELAPSED SINCE THE POSSIBILITY OF MOVING THE INTERNATIONAL BOOK EXCHANGE /IBEX/ OPERATION TO ITALY WAS DISCUSSED WITH [] AS REPORTED IN REFERENCE A, IS THE MHDOWEL FLAP OF LAST FEBRUARY AND CONSEQUENT UNCERTAINTY AS TO THE FUTURE OF PROJECT QKACTIVE. NOW THAT THE IMMEDIATE FUTURE OF QKACTIVE IS ASSURED, IT IS POSSIBLE TO TRY TO SOLVE THE PROBLEM OF THE BEST FUTURE LOCATION FOR IBEX, AS QKACTIVE FEELS IT HIGHLY DESIRABLE TO MOVE IBEX FROM MUNICH. HQS HAS MADE NO DECISION IN THIS MATTER BUT HAS ENCOURAGED QKACTIVE TO EXPLORE VARIOUS POSSIBILITIES.

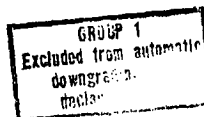
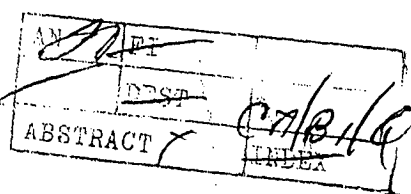
2. THE MAIN REASONS FOR QKACTIVE'S CONSIDERING REMOVAL FROM MUNICH NECESSARY AND ITALY TO BE THE BEST COUNTRY IN WHICH TO LOCATE IBEX ARE -

A. THE IMAGE OF MUNICH AS A COLD WAR AND ESPIONAGE CENTER DETRACTS FROM THE IMAGE IBEX NEEDS IN ITS BOOK MAILING OPERATIONS.

B. THERE EXISTS THE POSSIBILITY OF THE GERMANS DEVELOPING RESERVATIONS ABOUT IBEX OPERATIONS, WITH CONSEQUENT FLASHBACK ON THE

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PARENT QKACTIVE ORGANIZATION, WITH ITS MAJOR TPLINGO OPERATION HEADQUARTERED IN MUNICH. TPLINGO IS BY FAR THE MAJOR OPERATION, AND IT IS THEREFORE DESIRABLE TO ELIMINATE POTENTIAL HAZARDS TO ITS FUTURE IN GERMANY.

C. MORE THAN 60 PER CENT OF THE PRESENT IBEX BOOK MAILING IS NOW CHANNELLED THROUGH ITALY, AND QRBOUT HAS BEEN ABLE TO DEVELOP A NUMBER OF RUSSIAN-SPEAKING ITALIANS WHO HAVE BEEN HAPPY TO TAKE PART IN THESE ACTIVITIES. THE GROWING EXCHANGES BETWEEN ITALY AND THE SOVIET UNION MAKE FOR MANY MORE OPPORTUNITIES THAN IS THE CASE IN MUNICH.

B. BY MOVING IBEX TO ITALY, WHETHER OR NOT UNDER ANOTHER NAME, IT WILL BE POSSIBLE TO LARGELY DISASSOCIATE IT FROM TPLINGO.

3. THE TENTATIVE PROPOSAL BEING DEVELOPED FOR AN ITALIAN-BASED BOOK EXCHANGE PROGRAM DIFFERS CONSIDERABLY FROM THE PROPOSAL DISCUSSED A YEAR AGO WITH [] FIRST, IT IS PROPOSED TO SET UP A NEW ORGANIZATION, WHETHER OR NOT UNDER THE IBEX NAME, TO BE INCORPORATED OR REGISTERED AS AN ITALIAN ORGANIZATION. ITS BOARD OF DIRECTORS WOULD INCLUDE ITALIANS AND OTHER EUROPEANS, WITH NO MORE THAN TWO AMERICANS, ONE OF WHOM WOULD BE QRBOUT. ITS PRESIDENT WOULD BE AN ITALIAN. SECOND, THE IBEX HEADQUARTERS WOULD BE A SMALL OFFICE, WITH UP TO 10 PERSONS, INCLUDING QRBOUT AS THE EXECUTIVE DIRECTOR OR MANAGER. THIS OFFICE COULD BE LOCATED IN FLORENCE OR MILAN IF IT WERE FELT ROME WAS UNDESIRABLE. THIRD, THE KEY ITALIAN EMPLOYEE WOULD BE IRENE GIORGI-ALBERTI [] DPOB 5 DEC 24, BELGRADE, YUGOSLAVIA, UNTIL RECENTLY WORKING AT TPLINGO'S PARIS BUREAU ON BOOK MAILING OPERATIONS. SHE IS OF RUSSIAN ORIGIN AND IS FLUENT IN AT LEAST SIX LANGUAGES. HER HUSBAND, EDGARDO GIORGI-ALBERTI, DPOB 30 JUNE 07, MAGIONE, ITALY, WAS ITALIAN CULTURAL ATTACHE IN PARIS UNTIL HIS RECENT RETURN TO ROME FOR MEDICAL REASONS. /IT SHOULD BE NOTED THAT MOWINSKY, HEAD OF TPLINGO'S PARIS BUREAU, CHECKED WITH THE ITALIAN EMBASSY TO BE SURE THEY DID NOT OBJECT TO HER WORKING FOR TPLINGO./ MME. ALBERTI KNOWS THE

ITALIAN BUREAUCRACY AND HOW TO FUNCTION WITHIN IT. SHE HAS EXCELLENT GOVERNMENT CONTACTS AND HAS ALREADY BEEN IN CONTACT WITH SOMEONE IN THE ITALIAN MINISTRY OF FOREIGN AFFAIRS, WHO STATES HE FORESEES NO OBJECTIONS TO THE REGISTRATION OF IBEX IN ITALY. FOURTH, THE METHODS OF OPERATIONS WOULD REMAIN ROUGHLY THE SAME, I.E., DIRECT MAILING, MAILING THROUGH EXCHANGE BOOK CLUBS, HAND-PASSING TO SOVIETS IN ITALY, AND DISTRIBUTION BY WESTERN STUDENTS IN THE USSR. FIFTH, THE ORGANIZATION WOULD BE A SUBSIDIARY OF QKACTIVE, WITH NO OPEN IDENTIFICATION OF THE CONNECTION. FUNDS WOULD PROBABLY BE PASSED FROM MUNICH TO A SWISS BRANCH OF AN ITALIAN BANK WITH WHICH IBEX WOULD OPEN AN ACCOUNT. QRBOUT WOULD STILL REPORT DIRECTLY TO QKACTIVE IN NEW YORK. ANY NAME TRACING OR OTHER SECURITY SUPPORT WOULD BE OBTAINED VIA COB/MUNICH. IT IS NOT PLANNED THAT THERE WOULD BE ANY REGULAR CONTACT WITH OR SUPPORT FROM []

4. [] JOINTED OUT IN REFERENCE A THAT ANY PROPOSAL TO ESTABLISH IBEX /OR AN EQUIVALENT/ IN ITALY WOULD HAVE TO BE CLEARED IN ADVANCE WITH RNINSTEAD, WHO WOULD PROBABLY NOT BE ENTHUSIASTIC. IT DEVELOPS THAT GROVER N. MANOGOFF /PRESIDENT, QKACTIVE/, JASPER O. LAMBIE /DIRECTOR, QKACTIVE'S SPECIAL PROJECTS DIVISION, AND QRBOUT'S SUPERVISOR/, AND EDMUND B. MOWINSKY ARE FRIENDS OR ACQUAINTANCES OF RNINSTEAD. THEY BELIEVE IN VIEW OF HIS BACKGROUND AS AN OLD RUSSIAN HAND THAT RNINSTEAD WOULD BE ENTHUSIASTIC ABOUT THE BOOK MAILING PROGRAM IF BROUGHT TO HIS ATTENTION. /FOR THE RECORD, LNGOLD HAS ENDORSED THIS PROGRAM ON PREVIOUS OCCASIONS./

5. IN VIEW OF RNINSTEAD'S FORTHCOMING TRANSFER, MOWINSKY HAS ARRANGED INFORMALLY FOR AN APPOINTMENT WITH RNINSTEAD FOR HIMSELF, LAMBIE, AND QRBOUT ON 22 JANUARY AT 1730 HOURS. THEY PLAN TO DISCUSS THE BOOK MAILING PROGRAM, THE TENTATIVE PROPOSAL FOR AN IBEX IN ITALY, AND TO REQUEST HIS ASSISTANCE IN LAYING THE GROUNDWORK FOR A FAVORABLE REACTION WHEN RNINSTEAD'S SUCCESSOR ARRIVES ON THE SCENE.

THEY WILL ARRIVE IN ROME ON 21 JANUARY AND WILL THUS BE AVAILABLE FOR TALKS WITH [] BOTH BEFORE AND AFTER THE MEETING, AS HE MAY DESIRE. LAMBIE LEAVES NEW YORK FOR MUNICH ON 17 JANUARY AND THE THREE MEN WILL LEAVE MUNICH ON THE 21ST. THIS APPOINTMENT WAS MADE WITHOUT PRIOR HQS CONCURRENCE, BUT WE SEE NO OBJECTION IN VIEW OF THE SHORT TIME REMAINING PRIOR TO [] DEPARTURE.

6. A SECOND RESERVATION SET FORTH IN REFERENCE A BY [] WAS THE QUESTION OF BRINGING THE IBEX MOVE TO THE ATTENTION OF [] TO ASSIST IN ANSWERING THIS QUESTION, WE POINT OUT THE FOLLOWING FOR CONSIDERATION -

A. THE DECISION TO CONTINUE PROJECT QKACTIVE CONTAINED A PROVISION FOR NON-ADMISSION OF ANY PAST OR CONTINUING WOFIRM OR LN-HARP SUPPORT. TO THE BEST OF OUR KNOWLEDGE, NO COMPONENT OF THE ITALIAN GOVERNMENT HAS EVER BEEN CUT IN ON THE ULTIMATE SOURCE OF SUPPORT FOR QKACTIVE, AND THIS WOULD NOT BE THE TIME FOR SUCH DISCLOSURE.

B. IT IS PROPOSED THAT QKACTIVE MAKE THE EFFORT TO ESTABLISH IBEX IN ITALY ENTIRELY ON ITS OWN, WITH NO ASSISTANCE OR INTERVENTION BY EITHER RNINSTEAD AND SUCCESSOR OR [] IF MME. ALBERTI CANNOT GET THE NECESSARY PERMISSIONS FROM THE APPROPRIATE ITALIAN GOVERNMENT COMPONENTS, THE THE IBEX MOVE WILL NOT TAKE PLACE.

C. ALTHOUGH A MAIN REASON FOR THE PROPOSED MOVE IS TO DIVORCE IBEX FROM QKACTIVE, IBEX WILL NOT DENY QKACTIVE AS THE SOURCE OF FINANCIAL SUPPORT, BUT THEY WILL NOT CALL ATTENTION TO IT. THE NEW JERSEY ADDRESS HAS BEEN DROPPED, AND THERE WILL BE NO U.S. OFFICE UNDER THE PRESENT PROPOSAL /A SMALL BRANCH OFFICE MAY HAVE TO REMAIN IN MUNICH FOR LIAISON AND SUPPORT FROM QKACTIVE AND FOR SECURITY CHECKING VIA MUNICH BASE/.

7. WE AGAIN WISH TO EMPHASIZE THAT THESE TALKS WITH RNINSTEAD ARE EXPLORATORY ONLY AND THAT [] CURRENT VIEWS ARE REQUESTED

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BEFORE ANY DECISION IS MADE ON THIS OR OTHER REVISED PROPOSALS FOR THE FUTURE OF IBEX.

8. WE ASSUME [] WILL WISH TO TALK WITH THE THREE VISITORS BEFORE THEY TALK WITH RNINSTEAD. IN VIEW OF THE SHORT TIME REMAINING BEFORE LAMBIE DEPARTS FROM NEW YORK, SUGGEST [] CONTACT INSTRUCTIONS BE CABLED TO BOTH HEADQUARTERS AND MUNICH BASE, AT WHICH LATTER POINT THEY CAN BE RELAYED TO LAMBIE THROUGH 20 JANUARY.

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